

New Jersey Use Tax

What is Use Tax?

Use Tax is due when taxable goods and services are purchased and New Jersey sales tax is either not collected or is collected at a rate less than 6%. The use tax is due when such goods, or the goods on which taxable services are performed, come into New Jersey. If sales tax was paid to another state, the use tax is only due if the tax was paid at a rate less than 6%, based on the difference. For example, if you paid 5% sales tax in another state, you owe 1% use tax to New Jersey.

Examples of Transactions Subject to Use Tax Are:

1. An item (e.g., furniture) is purchased out of State and brought into New Jersey, and no sales tax was collected. (Purchase was made in a state that does not impose a sales tax.) Use tax at the rate of 6% is due to New Jersey.
2. A watch is repaired by a jeweler out of State and brought into New Jersey. State sales tax was collected at a rate of 4%; the difference (2% of the cost of repair) is due to New Jersey as use tax.

3. Some mail order and Internet companies are not registered to collect New Jersey sales tax. When you purchase goods and services through the mail or on the Internet and those goods or services are subject to New Jersey sales tax, use tax is due on the amount of the sale if New Jersey sales tax was not paid.

How to Remit Use Tax

Individuals. Individual taxpayers report and remit use tax by either completing and filing the Use Tax Return (Form ST-18, below) within twenty days after property is brought into New Jersey; or by reporting any use tax due on their resident income tax return (Line 41, Form NJ-1040).

Businesses. Vendors and those nonvendors who file monthly and/or quarterly sales and use tax returns with New Jersey report and remit use tax on Forms ST-50 and ST-51. Certain nonvendor businesses, if qualified, are authorized to report and remit use tax on the Annual Business Use Tax Return (Form ST-18B).

**Here is the New Jersey Use Tax Return, Form ST-18, for your use.
Photocopy Form ST-18 and use it as needed throughout the year.**

USE TAX Form ST-18 (09-00)		STATE OF NEW JERSEY DIVISION OF TAXATION	FOR OFFICIAL USE ONLY
PURCHASER'S NAME AND ADDRESS		SELLER'S NAME AND ADDRESS	1. AMOUNT OF PURCHASE \$
			2. USE TAX (Line 1 x .06)
			3. CREDIT, IF ANY, FOR TAX PAID IN JURISDICTION OF PURCHASE (See instruction for Line 3)
Social Security or Federal Identification Number		Attach Rider if Necessary	4. AMOUNT DUE (Line 2 Less Line 3) \$
TAXABLE ITEM(S) PURCHASED	POSSESSION DATE	PRICE PAID	
a) / \$			
b) /			
c) /			
(If more taxable items were purchased, attach rider)		(Carry Total to Line 1)	

I CERTIFY THAT ALL THE INFORMATION GIVEN IS CORRECT

Signature

Date

INSTRUCTIONS FOR COMPLETING USE TAX RETURN (Form ST-18)

LINE 1 - Enter the Total amount of all purchases subject to the Use Tax.

LINE 2 - Multiply Line 1 by 6% (.06) and enter the amount of Use Tax.

LINE 3 - Enter credit for sales tax previously paid **ONLY** on purchases where items or services were received outside of New Jersey.

A. TAX PAID TO ANOTHER STATE AT 6% OR HIGHER - If you paid Sales Tax on the purchase at the current New Jersey rate of 6% or a higher rate to another state or jurisdiction and did not take delivery in New Jersey, NO Use Tax is due New Jersey. No credit will be given for such payments on items or services delivered into New Jersey or for taxes paid in foreign countries.

B. TAX PAID TO ANOTHER STATE AT LESS THAN 6% - If you paid sales tax on the purchase at less than the current New Jersey rate of 6% and did not take delivery in New Jersey, Use Tax is due New Jersey in the amount of any difference.

LINE 4 - Subtract line 3 from line 2 and enter result on line 4. Make payment to: State of New Jersey-Use Tax.

Mail this form upon completion together with your payment to: State of New Jersey-Division of Taxation, Revenue Processing Center, Use Tax, PO Box 261, Trenton, NJ 08646-0261. (KEEP A COPY FOR YOUR RECORDS)

For information regarding the ST-18 and its completion contact: New Jersey Division of Taxation, Customer Service Center at (609) 292-6400.

PRIVACY ACT NOTIFICATION

The Tax Reform Act of 1976, P.L. 94-455, modified at 42USC 405(c)(2)(c)(i), authorizes the use of social security numbers in the administration of a tax law. The Division will use the number for tax account identification and tax administration and collection purposes.

* Please Complete and Return Remittance with Payment *